



February 2, 2022

Public Testimony
Senate Housing and Development Committee
Support for SB 1557

Dear Chair Jama, Vice-Chair Anderson, and members of the Committee:

My name is Rob Prasch, I am the Preservation Director with the Network for Oregon Affordable Housing. As NOAH's Preservation Director I facilitate the Oregon Housing Preservation Project, which is a collaborative initiative dedicated to preserving our state's affordable housing. Preservation Project partners have collaborated to preserve over 15,000 affordable homes across the state since 2008.

I'm testifying today in support of Senate Bill 1557 which would create a pilot rent subsidy program designed to protect residents of publicly supported housing from displacement when a property's use restrictions expire, and it transitions to market rate housing.

Imagine for a moment, if one day you learned, that the affordable home you've lived in for many years, is suddenly converting to market rate housing. That's exactly what has happened recently at several Oregon Low Income Housing Tax Credit properties. The sudden expiration of the affordability restrictions has put hundreds of low income households under severe stress and put their housing stability at risk.

We know this will happen with increasing frequency as rent restricted properties continue to mature. According to Oregon Housing, over 5,000 affordable rental homes across the state, have use restrictions expiring between now and 2031. The vast majority of these will not offer any protections to residents caught up in the transition to market.

The pilot rent subsidy program created by SB 1557 would address this by covering the incremental increase in the tenant's rent payment as the property transitions to market. This is a stop gap measure designed to keep vulnerable Oregonians housed when the property cannot be preserved.

The pilot program would:

- Provide a modest rental assistance subsidy to residents who live in buildings where the use restrictions have expired, and the owner has converted the property to a market rate rental;

- Provide a small monthly subsidy equal to the amount of the rent increases that a resident experiences as a result of the conversion to market rate housing.

To control program costs:

- Only residents who live in the building at the time of the conversion would be eligible to receive the subsidy;
- Residents with tenant based rental assistance, or other forms of rental assistance, are not eligible;
- Residents would remain eligible as long as they remain at the property;
- The assistance is not transferable and would terminate if the resident moves.

Our first priority, of course, is to preserve expiring properties for the long term, but that isn't always possible under our system which depends on the private sector to provide affordable housing. When a property owner does make the decision to transition to market, we need to do all we can to protect the residents from displacement.

We believe SB 1557 will help provide housing stability for residents affect by expirations. I urge your support of Senate Bill 1557.

Thank you.

Rob Prasch, Preservation Director



Network for Oregon Affordable Housing